Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

I. DISPUTE

1. a. Whether there should be additional reimbursement of $10,071.14, for dates of service 07/27/01 and extending through 07/31/01.

   b. The request was received on 06/05/02.

II. EXHIBITS

1. Requestor, Exhibit I:

   a. TWCC 60 and Letter Requesting Dispute Resolution
   b. UB-92
   c. EOBs
   d. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.

2. Respondent, Exhibit II:

   a. TWCC-60 and Response to a Request for Dispute Resolution
   b. UB-92
   c. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.

3. Carrier was not notified of additional documentation as none was received from the Requestor. The 14 day response from the insurance carrier was received in the Division on 07/22/02, in response to the letter requesting additional documentation from the Requestor, dated 07/18/02 per the Medical Dispute Resolution Information System. There was not a carrier sign sheet found in the case file. Therefore, all of the information in the case file will be reviewed and a decision will be written accordingly.

III. PARTIES' POSITIONS

1. Requestor: Letter dated 07/16/02

> "TWCC Rule 134.401 provides the rules regarding reimbursement for Acute Care In-patient Hospital Fee services. Specifically, reimbursement consists of 75% of remaining charges for the *entire admission*, after a Carrier audits a bill. See Tex. Admin. Code Section 133.401 (c). The Carrier is allowed to deduct any personal items and may only deduct non-documented services and items and services which are not related to the compensable injury. At that time, if the total audited charges *for the entire admission* are below $40,000, the Carrier may reimburse at a 'per diem' rate for the hospital services. However, if the total audited charges *for the entire admission* are at or above $40,000, the Carrier shall reimburse using the 'Stop-Loss Reimbursement Factor' (SLRF). The SLRF of 75% is applied to the 'entire admission."

2. Respondent: Letter dated 06/19/02

> "For inpatient bills under the stop loss threshold, the Texas Workers [sic] Compensation Commission has established that a fair and reasonable reimbursement for implants are manufacturer's cost plus 10%. It has been noted that on billings from (Provider), the mark up/charge often far exceeds cost plus 100%. The level of mark up on implants for this admission (per the hospital's invoices) was 400%, which exceeds fair and reasonable. The level of mark up on implants often causes the billed charges to exceed the $40,000.00 stop loss threshold resulting in a higher reimbursement rate. When this occurs, the carrier is then required to pay at the stop loss factor reimbursement at 75% of billed charges rather than the inpatient per diem and cost plus 10% for the implants."

IV. FINDINGS

1. Based on Commission Rule 133.307(d) (1) (2), the only dates of service eligible for review are those commencing on 07/27/01 and extending through 07/31/01.

2. The Provider billed the Carrier $133,266.48 according to the submitted Table of Disputed Services, for the dates of service 07/27/01 and extending through 07/31/01.

3. The Carrier made a total reimbursement of $54,674.64 according to the submitted Table of Disputed Services, for the dates of service 07/27/01 and extending through 07/31/01.

4. The amount left in dispute is $10,071.14 according to the submitted Table of Disputed Services, for the dates of service 07/27/01 and extending through 07/31/01.

V. RATIONALE

Medical Review Division's rationale:

> The Provider did not submit any medical documentation as required by Rule 133.307 (g)(3)(B) in their dispute packet to support that the services were rendered. The Medical Review Division is unable to determine what services were rendered or what services could be deducted such as personal items or those not related to the compensable injury. Therefore, additional reimbursement is not recommended for the dates of service 07/27/01 and extending through 07/31/01.

The above Findings and Decision are hereby issued this 8th day of November 2002.

Michael Bucklin
Medical Dispute Resolution Officer
Medical Review Division

MB/mb